

**To:** 'Stephen Chamberlain'[stephenc@autonomy.com]; 'Andrew Kanter'[andrewk@autonomy.com]  
**Cc:** 'mrl@autonomy.com'[mrl@autonomy.com]  
**From:** Sushovan Hussain  
**Sent:** Tue 8/2/2011 9:34:59 AM  
**Importance:** Normal  
**Subject:** FW: Tesla: Question for tomorrow's call 2 Aug  
[Project Tesla Financial DD Follow Up 8 1 11 \(2\).docx](#)

**From:** Sarin, Manish [mailto:manish.sarin@hp.com]  
**Sent:** 02 August 2011 14:20  
**To:** Sushovan Hussain  
**Subject:** RE: Tesla: Question for tomorrow's call 2 Aug

Apologies. Attached.

**From:** Sushovan Hussain [mailto:sushovanh@autonomy.com]  
**Sent:** Monday, August 01, 2011 10:34 PM  
**To:** Sarin, Manish  
**Subject:** RE: Tesla: Question for tomorrow's call 2 Aug

Attachment is missing

**From:** Sarin, Manish [mailto:manish.sarin@hp.com]  
**Sent:** 02 August 2011 06:11  
**To:** Sushovan Hussain  
**Cc:** 'Andrew Kanter'; Bhagat, Varoon  
**Subject:** Tesla: Question for tomorrow's call 2 Aug

Sushovan – please find attached question list for tomorrow's call. We look forward to discussing these with you.

Thanks

**Manish Sarin**

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## Revenue Detail

1. Describe your sales model by product or vertical (i.e., hosted vs. SaaS vs. on-premise license vs. OEM vs. appliance). For each, describe the standard elements in each arrangement by sales model and how revenue is recognized with each.
  - a. Do all or only certain arrangements include license, maintenance, professional services or hosting/subscription?
  - b. Include discussion of how each element in the agreement is priced (i.e., % of license, users, cost per seat/node etc.)
2. Describe the professional services (i.e., NRE, consulting, implementation, training etc.) you are providing. Are these services essential/non-essential to the functionality of the software and can it be provided by a third party?
3. Do you sell professional services on a stand-alone basis (i.e., sold outside of the license agreement and unrelated to the software license or master agreement? What is the pricing model for these services (i.e., time and materials, fixed fee etc.)?
4. Have your auditors identified any revenue recognition adjustments at period end? If so, what were they and what was the size of the adjustment?
5. Please comment on composition of any non-PCS and hosting-related deferred revenue?
6. Is there any deferred license revenue? If so, why is it deferred?
7. Is VSOE (fair value) for the undelivered elements in your arrangements supported by any analysis or studies? If so, describe your policy for establishing VSOE - methodology, how many pools, multi-year, policy for exceptions.
8. Describe unusual or non-standard contract terms - MFN (i.e., preferential pricing), platform transfer or upgrade rights, sunset clauses, specified deliverables (i.e., upgrades, functionality etc.), remix rights? Are any discount terms retroactive?
9. Do you have many contracts on customer's paper? In cases of customer paper, please comment on unusual terms and where they have a revenue recognition impact?
10. Do your arrangements include formal or written customer acceptance requirements? If so, how are those requirements tracked?
11. Describe what is being offered as part of maintenance in your arrangements. Are there multiple types/levels of maintenance or only one level?
12. What kind of software licenses do you typically sell (i.e., term, perpetual, usage based)?
  - a. For term licenses (if any), what is the typical term and is maintenance included in the price or sold separately?
13. For hosting/subscription or SaaS based customers:
  - a. Has an analysis of average customer life been performed?



- b. What is the average contract term and TCV for customers under a hosted or SaaS arrangement?
  - c. Are there automatic renewals at the end of a term?
  - d. Do you have a detail of uninvoiced backlog related to these customers available?
  - e. If set-up fees are charged, how is it recognized?
  - f. For hosting or subscription arrangements, do customers have the option to take possession of the software license?
  - g. How has the migration to Cloud affected license growth? Has there been any analysis prepared on license growth cannibalization from the shift to Cloud?
14. Please comment on revenue recognition for partners/OEMs. Is it sell-in, sell-through, or other methodology? Additionally, please comment on prior period adjustments, if any, arising from sales to partners.
15. Has a renewal rate analysis (by \$ and customer count) been performed for your population of maintenance renewals and subscription/SaaS/hosting renewals?
16. Do customers have the option to convert between the hosted, SaaS and On-premise models? If so, is this information tracked and is it taken into account as part of a renewal rate analysis?
17. Comment on your analysis of concessions and extent of concessions, if any.



## Tax

1. Provide (or describe) the legal entity organizational chart, specifically the holding company structure of key operating entities. Also, please discuss where you have tax consolidated groups (e.g. US)
2. We understand the majority of IP resides in the UK. Can you confirm what, if any, IP resides outside the UK and where the rights to such IP are held (e.g., has there been post-acquisition migrations of IP from those companies acquired by Tesla?)
3. Please discuss your operational tax structure. Specifically, which entity or entities act as principal(s) on customer software transactions and on services transactions (by country or region), where are the R&D operations located, which entities act as marketing, sales and support operations (confirm annual report data), where are the servers located for the SaaS model, how is the software delivered (e.g., by disk, digital download) for standard product transactions, etc?
4. Please describe your global transfer pricing strategy and specific transfer pricing metrics.
5. Discuss the components of tax reserves maintained by the company for tax contingencies.
6. Please confirm our understanding that there are no loss carry forwards available in the UK. Also discuss the NOLs remaining in the US. Also, what amounts of NOLs and other tax attributes (such as R&D credits, etc.) exist elsewhere in the structure?
7. Discuss status of all existing tax audits in progress, covering all taxes (e.g., income taxes, VAT, sales and use, payroll, etc).
8. Discuss outcome of tax audits undertaken and closed in prior years.
9. Discuss any significant tax minimization and planning strategies existing within the structure.
10. Describe how your tax compliance and planning is managed in the organization. Is there an internal corporate tax department? What tax functions, if any, are outsourced to advisors? Who is responsible for local country tax filings in the operating subsidiaries?

United States District Court  
Northern District of California

### **Trial Exhibit 15930**

Case No: CR 18-0577 CRB

Date Entered: \_\_\_\_\_

By: \_\_\_\_\_

Deputy Clerk

